

AMENDED IN ASSEMBLY SEPTEMBER 1, 2005

AMENDED IN ASSEMBLY AUGUST 25, 2005

AMENDED IN ASSEMBLY AUGUST 15, 2005

AMENDED IN SENATE MAY 31, 2005

AMENDED IN SENATE MAY 4, 2005

AMENDED IN SENATE APRIL 18, 2005

SENATE BILL**No. 577**

**Introduced by Senator Figueroa
(Principal coauthors: Senators Ducheny and Murray)**

February 18, 2005

An act to add Chapter 8.7 (commencing with Section 11830) to Part 1 of Division 3 of Title 2 of the Government Code, relating to state government operations.

LEGISLATIVE COUNSEL'S DIGEST

SB 577, as amended, Figueroa. State government operations: accountability.

Existing law generally sets forth the duties and responsibilities of the head of any state agency, department, board, commission, bureau, or program.

The bill would also, among other things, require all of the following to ensure government's fiscal responsibility:

(1) All state agencies, as defined, to participate, to the maximum extent feasible, in the CAL-Card Program for purchases up to \$5,000.

(2) The Controller to annually report to the Legislature the names of the agencies, departments, or programs required to submit internal

control certification letters and year-end financial reports, but did not submit them by the deadline.

(3) The Department of Finance to issue, coincident with the release of the Governor's Budget and the May Revision to the Governor's Budget, a long-range financial plan for the state.

(4) The Department of Finance and the Controller to make recommendations for developing a fiscal management system for state government and, by January 1, 2007, to submit a specified report to the Legislature.

(5) The Governor to report by February 1, 2006, to the Legislature on the progress of consolidating federal grant-making functions.

(6) The Governor, by July 1, 2008, to create and implement a pilot volunteer leave program for state employees.

~~(7) The Department of General Services to review the state's telecommunications contracts with telecommunication providers to identify where the state was billed for more than the contracted value of the services provided and to make recommendations to eliminate overpayment for telecommunications services.~~

~~(8) State agencies to implement the Director of General Services' recommendations regarding the state's telecommunications services contracts and to report to the Legislature by July 1, 2007, on the cost savings associated with implementing those recommendations.~~

~~(9)~~

(7) State agencies to consider whether all construction projects beginning after January 1, 2006, and funded with state money should use an owner controlled insurance program to reduce costs without risking performance or completion.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Chapter 8.7 (commencing with Section 11830)
- 2 is added to Part 1 of Division 3 of Title 2 of the Government
- 3 Code, to read:

CHAPTER 8.7. ENSURING GOVERNMENT FISCAL
RESPONSIBILITY

11830. (a) All state agencies shall participate, to the maximum extent feasible, in the CAL-Card Program for purchases up to five thousand dollars (\$5,000).

(b) (1) The Department of Finance shall annually report to the Legislature the names of the agencies, departments, or programs required to submit internal control certification letters to the department but did not.

(2) The Controller's office shall annually report to the Legislature the names of the agencies, departments, or programs required to submit year-end financial reports, but that did not submit them by the respective deadline.

(c) Beginning January 1, 2007, the Department of Finance shall, coincident with the release of the Governor's Budget and the May Revision to the Governor's Budget, issue a long-range financial plan for the state. The plan shall include, but not be limited to, revenue and expenditure projections for the next four years.

(d) The Department of Finance and the Controller shall make recommendations for developing a fiscal management system for state government encompassing accounting, asset management, treasury management, procurement, and budgeting functions. A report with recommendations shall be provided to the Legislature no later than January 1, 2007. The report shall include, but not be limited to, all of the following:

(1) Advancements in fiscal management technology.

(2) The fiscal management systems that other states have implemented successfully and how they were developed.

(3) Private sector best practices in fiscal management.

(4) Information needed by managers in state government to improve efficiency and effectiveness in providing services.

11831. (a) All state agencies shall use the State Contract and Procurement Registration System and the Director of General Services shall, by February 1, 2006, certify to the Legislature that all managers who might use it have been notified of the legal requirement to do so.

(b) The Governor shall, by February 1, 2006, report to the Legislature on the progress of consolidation or coordination of

1 federal grant-making functions by a memorandum of
2 understanding or other means.

3 (c) All state agencies shall utilize the California Automated
4 Travel Expense Reimbursement System (CalATERS) by July 1,
5 2008.

6 11832. (a) The Governor's Office on Service and
7 Volunteerism, in consultation with the Department of Finance
8 and the Controller, shall identify all funds donated directly to the
9 state or to any state-affiliated auxiliary foundation and shall, by
10 January 1, 2007, propose to the Legislature amendments to
11 Section 11005 that would make donating to the state government
12 easier and more efficient.

13 (b) By July 1, 2008, the Governor shall create and implement
14 a pilot volunteer leave program for state employees. The
15 Governor shall designate the agencies and departments selected
16 for the pilot program. By March 1, 2010, the Governor shall
17 report to the Senate Committee on Budget and Fiscal Review and
18 the Assembly Committee on Budget whether the state enjoyed
19 any savings as a result of the pilot project, whether it should be
20 expanded, and, if so, suggested legislative amendments and
21 language for such an expansion.

22 ~~(d) (1) On or before July 1, 2006, the Department of General~~
23 ~~Services shall review adherence to the state's~~
24 ~~telecommunications contracts with telecommunications~~
25 ~~providers. The review shall identify telecommunication charges~~
26 ~~where the state was billed for more than the contracted value of~~
27 ~~the services provided. The director may make recommendations~~
28 ~~for state agencies to eliminate overpaying for~~
29 ~~telecommunications services.~~

30 ~~(2) On or before December 31, 2006, state agencies shall~~
31 ~~implement the recommendations of the director and, on or before~~
32 ~~July 1, 2007, the director shall report to the Governor and the~~
33 ~~Legislature about the implementation of the recommendations~~
34 ~~and whether the recommendations, as implemented, have~~
35 ~~resulted in cost savings.~~

36 ~~(e)~~

37 (d) The Governor shall report to the Legislature by March 1,
38 2006, on the status of compliance with Sections 15814.30 to
39 15814.35, inclusive, requiring "life-cycle" costing of state
40 construction projects.

1 ~~(f)~~—
2 (e) For all construction projects beginning after January 1,
3 2006, that are funded with state money state agencies shall
4 consider whether an owner controlled insurance program may
5 reduce costs without risking performance or completion.
6 11833. For purposes of this chapter, “state agency” has the
7 same meaning as that contained in Section 11000.

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